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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 003241

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SUBJECT: BIOGRAPHIC REPORT: LUIS MIQUILENA: POLITICAL GODFATHER TO HUGO CHAVEZ

CLASSIFIED BY THOMAS A. SHANNON, POLITICAL COUNSELOR. REASON: 1.5 (B) AND (D).

LUIS MIQUILENA: CHAVEZ'S RIGHT HAND MAN

1. (C) LUIS MIQUILENA IS LEADING PRESIDENTIAL CANDIDATE HUGO CHAVEZ'S POLITICAL GODFATHER AND CONFIDENT. HE WAS THE KEY INTERMEDIARY BETWEEN CHAVEZ AND LEFTIST POLITICAL PARTIES IN THE RUN-UP TO THE FAILED FEBRUARY 1992 COUP ATTEMPT. HE ALSO ORGANIZED CHAVEZ'S 1994 VISIT TO CUBA FOLLOWING HIS RELEASE FROM PRISON. SINCE THEN, HE HAS WORKED TO BUILD A POLITICAL BASE FOR CHAVEZ, HELPING TO TRANSFORM CHAVEZ'S BOLIVARIAN REVOLUTIONARY MOVEMENT-2000 (MBR-2000) INTO A POLITICAL PARTY--THE FIFTH REPUBLIC MOVEMENT (MVR), AND BUILDING ALLIANCES WITH LEFT AND CENTER-LEFT PARTIES SUCH AS THE HOMELAND FOR ALL (PPT) AND THE MOVEMENT TOWARDS SOCIALISM (MAS). CHAVEZ TRUSTS MIQUILENA AND RELIES ON HIM TO VET VISITORS, SET CAMPAIGN PRIORITIES, AND MANAGE HIS POLITICAL ACTIVITIES. HE HAS NAMED MIQUILENA HEAD OF CAMPAIGN ADMINISTRATION AND FINANCE. IF ELECTED, IT IS RUMORED THAT MIQUILENA WOULD BECOME MINISTER OF INTERIOR (IN CHARGE OF VENEZUELA'S CIVILIAN SECURITY APPARATUS AND NEXT IN THE LINE OF SUCCESSION).

THE FORMATIVE YEARS

2. (U) THE SEPTUAGENARIAN MIQUILENA IS OF THE SAME POLITICAL GENERATION AS PRESIDENT CALDERA AND DEMOCRATIC ACTION PARTY CANDIDATE LUIS ALFARO. BORN IN CORO, FALCON STATE, IN 1919, MIQUILENA STARTED HIS POLITICAL CAREER IN THE COMMUNIST PARTY AND THE NASCENT TRADE UNION MOVEMENT.

3. (U) IN THE 1940'S MIQUILENA WAS A PRINCIPAL LEADER OF THE POWERFUL BUS DRIVERS UNION OF CARACAS. HE SPEAR-HEADED SEVERAL STRIKES DURING THE ISAIAS MEDINA ANGARITA REGIME. AT A TIME WHEN MAINSTREAM COMMUNISTS WERE SUPPORTING MEDINA, MIQUILENA, AN AVOWED COMMUNIST, PRESSURED THE MEDINA AND HIS RULING JUNTA FOR CHANGE THROUGH THE THREAT OF CRIPPLING TRANSPORTATION STRIKES. HE WAS HARASSED BY STATE SECURITY AGENTS, PLAYING A CAT AND MOUSE GAME, AND WAS JAILED ON NUMEROUS OCCASIONS.

4. (U) NEITHER A CHANGE IN ADMINISTRATION NOR JAIL TIME SOFTENED MIQUILENA. HE CONFRONTED THE NEW GOVERNMENT OF ROMULO BETANCOURT AND WAS PRIVILEGED TO BE ONE OF THE FIRST PRISONERS OF THIS REGIME. UPON HIS RELEASE FROM PRISON IN 1946, HIS FAILURE TO RESPECT THE RESOLUTIONS OF THE FIRST COMMUNIST CONGRESS ALIENATED THE COMMUNIST PARTY, AND HIS RADICAL SPLINTER GROUP OF TROTSKYITES, THE BLACK COMMUNISTS, WERE EXPELLED BY THE PARTY.

5. (U) IN THE MIDST OF THIS TURMOIL, MIQUILENA ORGANIZED AND LED

THE 1947 CARACAS BUS DRIVERS STRIKE, PARALYZING THE CAPITAL FOR SEVERAL DAYS IN AUGUST OF THAT YEAR. THROUGH THIS ACTION, MIQUILENA WAS ABLE TO SECURE FOR THE UNION MEMBERSHIP THE SAME WORKING CONDITIONS AND BENEFITS THAT OTHER WORKERS WERE AFFORDED BY THE NEW LABOR LAW BUT HAD BEEN DENIED TO BUS DRIVERS.

MIDDLE AGE

¶16. (U) FOLLOWING HIS OUSTER FROM THE COMMUNIST PARTY, MIQUILENA HELPED FOUND THE REPUBLICAN UNION MOVEMENT (URD), A LEFTIST POLITICAL PARTY SUPPORTED BY URBAN PROFESSIONALS WHICH BECAME THE MODEL FOR THE PPT AND THE MAS. MIQUILENA WON A SEAT IN THE CONGRESS FOLLOWING THE 1958 FALL OF THE PEREZ JIMENEZ DICTATORSHIP.

¶17. (C) DURING THIS PERIOD, MIQUILENA WAS ALSO IN CONTACT WITH VENEZUELA'S GROWING GUERILLA MOVEMENT. HE WAS ACCUSED BY HIS ENEMIES OF MANAGING GUERILLA FUNDS AND USING THE URD AS AN URBAN POLITICAL FRONT FOR THE GUERRILLAS. THESE SAME ENEMIES TRACE MIQUILENA'S FORTUNE TO THIS PERIOD, ALLEGING THAT HE ABSCONDED WITH GUERILLA MONEY FOLLOWING THE COLLAPSE OF THE ARMED MOVEMENT, AND THAT HE USED HIS POSITION AS DIRECTOR OF THE MUNICIPAL INSTITUTE OF POPULAR CREDIT (IMCP) TO EMBEZZLE LARGE AMOUNTS OF MONEY. HE WAS NEVER CHARGED WITH ANY SUCH CRIME.

¶18. (U) IN THE SIXTIES, MIQUILENA FORMED AN IMPORTANT PARTNERSHIP WITH JOSE VICENTE RANGEL. TOGETHER THEY FOUNDED THE NEWSPAPER EL CLARIN, WHICH WAS THE MOUTHPIECE FOR LEFTIST POLITICS. AGAIN, HIS ENEMIES ACCUSED HIM OF USING EL CLARIN TO SUPPORT ARMED SUBVERSION. WHEN RANGEL MADE HIS UNSUCCESSFUL RUN FOR THE PRESIDENCY IN 1973, MIQUILENA WAS HIS CAMPAIGN MANAGER.

THE GOLDEN YEARS

¶19. (C) UNTIL RECENTLY, MIQUILENA HAS BEEN LIVING THE LIFE OF A WEALTHY CATTLE RANCHER IN BARINAS STATE, CHAVEZ'S HOME STATE. IT WAS DURING THIS TIME THAT HE MET CHAVEZ AND TOOK HIM UNDER HIS WING. DURING CHAVEZ'S PLANNING FOR HIS 1992 COUP ATTEMPT, MIQUILENA MANAGED CHAVEZ'S EFFORTS TO BUILD CIVILIAN SUPPORT FOR HIS MILITARY INSURRECTION. THE PRINCIPAL OBJECT OF THIS COURTING WAS THE RADICAL CAUSE PARTY (LCR), WHICH REJECTED CHAVEZ'S OVERTURES, FEARING THAT A FAILED COUP WOULD SHORT-CIRCUIT LCR'S EFFORTS TO CREATE A POLITICAL PROFILE FOR ITSELF INDEPENDENT OF THE RULING POLITICAL PARTIES: COPEI AND AD.

¶110. (C) FOLLOWING THE FAILED COUP, AND DURING CHAVEZ'S TIME IN PRISON, MIQUILENA KEPT IN CLOSE CONTACT WITH THE COUPSTER. MIQUILENA SAW IN CHAVEZ THE VEHICLE THROUGH WHICH HE COULD BREAK THE TRADITIONAL PARTY STRANGLEHOLD ON VENEZUELAN POLITICS. VIEWING CHAVEZ AND "CHAVISMO" AS A SOCIAL MOVEMENT WHICH WOULD SWAMP TRADITIONAL POLITICS, MIQUILENA HAS FOLLOWED A TWO-STAGE STRATEGY. FIRST, HE BURNISHED CHAVEZ'S RADICAL CREDENTIALS--ORGANIZING A TRIP TO CUBA AND MAINTAINING LINKS TO RADICAL LEFTIST PARTIES. THIS WAS DESIGNED TO CREATE A POLITICAL PROFILE FOR CHAVEZ DRAMATICALLY DIFFERENT FROM HIS COMPETITORS IN THE LCR, PPT, AND MAS. SECOND, ONCE ESTABLISHED AS A MAJOR CANDIDATE, MIQUILENA OVERSAW CHAVEZ'S EFFORTS TO BUILD HIS OWN POLITICAL PARTY AND TO ALLY HIMSELF WITH PPT AND MAS--THUS PROVIDING CHAVEZ A MEANS TO PARTICIPATE IN THE NOVEMBER 8 REGIONAL ELECTIONS.

¶111. (C) CHAVEZ HAS MADE MIQUILENA DIRECTOR OF FINANCE AND ADMINISTRATION FOR THE CAMPAIGN AND THE MVR. MIQUILENA HAS USED HIS OWN WEALTH TO HELP FINANCE THE CAMPAIGN, BUT HAS ALSO SUCCESSFULLY REACHED OUT TO OTHER WEALTHY FARMERS AND BUSINESSMEN TO PROVIDE MONEY TO THE CAMPAIGN. CHAVEZ RELIES ON MIQUILENA TO MAKE SURE THE MONEY IS CLEAN, AND THAT HE CANNOT BE CHARGED WITH SOLICITING OR ACCEPTING DIRTY MONEY. MIQUILENA HAS DONE HIS JOB, SO FAR, VERY WELL, AND HAS PROTECTED HIS CANDIDATE. HE REMAINS ONE OF THE FEW FIGURES WHOM CHAVEZ TRUSTS, AND WILL CONTINUE TO PLAY A KEY ROLE IN THE MVR, THE CAMPAIGN, AND POSSIBLY THE GOVERNMENT, AS LONG AS HIS HEALTH HOLDS UP.